THE UNITED STATES PATENT AND TRADEMARK OFFICE

IN RE PATENT APPLICATION OF:	CHRISTENSEN, Scott N.
SERIAL NO.:	09/315,822
ATTORNEY DOCKET NO:	031792-0311520
FILING DATE:	May 21, 1999
ART UNIT :	3622
EXAMINER	A. DURAN
FOR:	VIRTUAL COUPONING METHOD AND APPARATUS FOR USE WITH CONSUMER KIOSK

REPLY BRIEF

Mail Stop Appeal Brief - Patents
Commissioner for Patents
P.O. Box 1450
Alexandria, VA. 22313-1450

Sir:

I.   INTRODUCTION

This Reply Brief is being filed within two months of the Examiner's Answer

mailed July 28, 2006. This Brief responds to the points raised by the Examiner's

Answer.

A.   The Status of the Rejection

Claims 1-27 are pending in the application.

The Examiner's Answer withdraws the rejection on claim 18 made under 35

U.S.C. §112, first paragraph.

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Claims 1-16, 19, and 24-27 stand rejected under 35 U.S.C. §103(e) as allegedly

being unpatentable over U.S. Patent No. 6,321,208 to Barnett *et al.* ("Barnett"). *See*

Examiner's Answer, pg. 3 and 23.[1]

Claims 1, 4, 9, 10, 11-15, 16, and 24-27 stand rejected under 35 U.S.C. §102(b) as

allegedly being anticipated by U.S. Patent No. 4,674,041 to Lemon *et al.* ("Lemon").

See, Examiner's Answer, pg. 15.

Claims 16-26 stand rejected under 35 U.S.C. §102(e) as allegedly being

anticipated by U.S. Patent No. 5,887,271 to Powell. *See*, Examiner's Answer, pg. 20.

The Examiner's Answer withdraws the rejection on claim 27 made under 35

U.S.C. §102(e) and based on Powell.

II.   RESPONSE TO EXAMINER'S ARGUMENTS

A.   The Examiner has Incorrectly Applied the Alleged Teachings of the Barnett Reference to the Claims.

1.   The 103(a) Rejection Based on Barnett Does Not Disclose Each and Every Feature of Claims 1, 11, and 16.

The Examiner's Answer alleges that the 103 rejection is proper even if it is based

only on Barnett's teaching and background information found in the background section

of Barnett's patent. *See*, Examiner's Answer, pg. 24. Even if this is true (which is not

admitted), the rejection is still improper because the 103 rejection (based only on Barnett)

fails to disclose each and every feature of the claims. This was previously argued in

Appellant's Appeal Brief. See Appeal Brief, pg. 9-11.

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[1]   The Examiner's Answer admits to inadvertently stating, in the Final Office Action, the rejection of claims 1-16, 19, and 24-27 as a 102(e) instead of a 103(a) rejection. The claims were rejected under 103(a) and not 102(e). See Examiner's Answer at pg. 23, last paragraph.

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To establish *prima facie* obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 985, 180 U.S.P.Q. (BNA) 580 (C.C.P.A. 1974). "All words in a claim must be considered in judging the patentability of that claim against the prior art." *In re Wilson*, 424 F.2d 1382, 1385, 165 U.S.P.Q. (BNA) 494, 496 (C.C.P.A. 1970). The Examiner's rejection fails to present a *prima facie* case of obviousness.

As stated in Appellant's Appeal Brief, Barnett fails to disclose, among other things, the claim feature of "a redemption means, at the retail location, including...means for determining if a coupon presented by consumer is valid prior to crediting the consumer with a redemption value associated with the coupon," also referred to in Appellant's Appeal Brief as the "Coupon Validation Limitation." See, Appeal Brief at pg. 7, last paragraph.

Barnett fails to disclose this claim feature. Rather, Barnett discloses a system and method for two different and separate types of redemption. First, coupons are redeemed by consumers at a product checkout counter (10). See Barnett, col. 7 lines 13-20. Second, a coupon issuer (14) receives for redemption by a number of retailers, redemption data for coupons that have already been redeemed by consumers. See Barnett, col. 7 lines 35-45. As such, Barnett discloses two methods of redemption. The former method of redemption is redemption by the consumer which is between the consumer and the product checkout station and the latter is redemption by the retailer which is between the retailer and the coupon issuer.

To the extent that the coupon is validated, Barnett makes it clear that this is done in the latter method which is between the retailer and coupon issuer *after* the coupon has been already been redeemed by the consumer at the checkout station. The coupon issuer determines whether to credit the redeeming retailer, not whether to credit the consumer. As such, determination made by the coupon issuer is made on behalf of the retailer and not for the consumer during redemption at the checkout station. For example, Barnett discloses the following:

> Although a user is able to print out a particular coupon 18 only once (to be described in detail below), the *coupon issuer* 14 could still be defrauded by a user or retailer who might photocopy a printed coupon numerous times and fraudulently and repeatedly present it for redemption. However, in accordance with the present invention, each coupon printed by a user is unique, and the scanning of a coupon presented for redemption will be stored at the coupon redemption center. Thus, the *coupon issuer* will know if a particular user has redeemed a particular coupon and thus disallow further redemption of a photocopied coupon bearing the same indicia. *(Emphasis added)*

See, col. 11, lines 11-24

Accordingly, Barnett suggests that the coupon issuer determines if the coupon is valid *after* the consumer's coupon is redeemed and the redemption data is stored in the coupon redemption center. The Examiner's Answer, however, mischaracterizes Barnett by confusing redemption by the retailer with redemption by the consumer. Barnett does not disclose a connection between the redemption at the coupon issuer and redemption at the checkout station. At best, the coupon issuer makes decisions on redemption *after* the consumer redeems the coupon and not prior to crediting the consumer, as claimed. The Examiner however alleges that:

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It is herein understood that in order to prevent a further redemption to a printed redeemed coupon, the retail (10) POS system is at least operable to access the coupon redemption center (13) and/or the coupon issuer (14) database to determine in real-time if a coupon presented by a user is not a photocopied coupon, i.e. if the presented coupon has not been disabled or disallowed by the coupon [issuer] (14) in conjunction with the coupon redemption center (13) or if the bar code 90 printed on the presented coupon is unique or different form a registered code related to a registered user.

Here, if the validating step is performed after the retailer has redeemed the presented coupon, as the Appellant seems to understand, then the coupon issuer will be defrauded since he must reimburse the retailer who has unknowingly honored or redeemed a fake and fraudulent coupon and hence the system cannot be fraud-proof as intended by Barnett.

See Examiner's Answer, pg. 25-26

The Examiner's allegations are broad conclusionary statements which are wholly unsupported by evidence from the disclosure presented by Barnett. The Examiner fails to provide any citation or any relevant, identifiable source of information supporting these statements. Rather, the Examiner appears to be making broad conclusionary statements based on convenient assumptions about the coupon issuer to make a rejection without providing any factual support beyond "subjective belief and unknown authority." Lee, 277 F3d at 1344.

In fact, Barnett mentions nothing about real-time determination of whether a coupon is a photocopy, nor does Barnett disclose a coupon issuer that *must* reimburse the retailer who unknowingly honors a fraudulent coupon *(emphasis added)*. Barnett does not extend to validating coupons (e.g., checking for photocopies) at the checkout counter. Rather, Barnett is concerned with preventing fraud from invalid coupons at the coupon issuer level, not at the checkout counter. As further evidence of this, Barnett even states

that coupon redemption is carried out in a normal fashion. Barnett discloses the

following:

> The printed coupons 18 are used in a normal fashion by a
> consumer when shopping at a desired retail store 10. That is, the
> coupons 18 are presented to a product checkout station 11 along
> with the associated products for purchase, and the discount amount
> shown on the coupon 18 is credited to the consumer at the point of
> sale.

> See Barnett, col. 7 lines 13-18.

Redemption between the consumer and the retailer is based on a consumer

presenting a product and a corresponding coupon for the product at the checkout station.

Simply checking whether a product that corresponds to a coupon is present in the

consumers checkout items does not determine whether the coupon itself is valid. See

Barnett at col. 7, lines 13-20. At best it relates to determining product eligibility.

Although the product is eligible the coupon may still be invalid (e.g., photocopied

coupon). As such, Barnett fails to disclose determining if a coupon presented by a

consumer is valid *prior* to crediting the consumer with a redemption value associated

with the coupon, as claimed.

In an attempt to further bolster the Examiner's rejection, the Examiner's Answer

attempts to offer another interpretation of Barnett, which was not presented in any of the

previous rejections. With respect to validation at the checkout station, the Examiner

alleges the following:

> [T]he clerk, alone or in conjunction with a system, at least makes
> sure that the date printed on the coupon is still valid, specific
> instruction printed on the coupon are carried out, the required
> product is purchased, etc., before applying a credit to the

customer's order or before redeeming the presented coupon. This by itself constitutes a form of validation.

See Examiner's Answer, pg. 26.

With this, the Examiner is attempting to attribute actions that determine applicability of coupon with actions of validating a coupon. However, determining if a coupon is applicable does not mean that the coupon itself is valid, for example, the coupon may be a fraudulent photocopied coupon. Barnett even admits that a coupon may not be valid if it is photocopied. See Barnett at col. 11 lines 13-17. The clerk's actions associated with determining a date printed on a coupon and/or following the printed instructions does not prevent this type of fraud. What is more, determining whether a corresponding product is purchased merely determines product eligibility. None of these actions determine whether the coupon itself is valid, as claimed.

Based on the foregoing remarks, neither the Final rejection nor the Examiner's Answer demonstrate that Barnett discloses, teaches or suggests each and every claim feature of independent claims 1, 11, and 16. The rejection is therefore legally improper.

2.   Dependent Claims

Dependent claims 2-10, 12-15, 19 and 24-27 are allowable for at least the reasons that they depend from at least one of the allowable independent claims 1, 11, and 16 (for the reasons set forth above), as well as for the further limitations they contain. The dependent claims have already been addressed in the Appellant's Appeal Brief on pages 11-13. Those arguments are relied upon here. Additionally, with respect to the dependent claim, the Examiner's Answer does not provide any substantial new arguments that have not already been address in the Appeal Brief.

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With respect to claim 4, Barnett does not disclose the claim feature "wherein said redemption means comprises means for counting a number of times the consumer *redeemed* a particular coupon, and fraud indication means for indicating fraud if the number of times a coupon is *redeemed* by the consumer exceeds a predetermined amount." (*Emphasis added*). When read in conjunction with claim 1, the claim recites redemption means at the retail location for counting the number of times a particular coupon is redeemed by a consumer. Barnett does not show this occurring at the retail location.

With respect to claim 13, Barnett does not disclose the claim feature of "determining if a coupon presented by the consumer is valid comprises accessing the database in real-time." Barnett does not disclose *real-time* access from a retail location redemption means to a database for validating the coupon before it is redeemed by the consumer. The Examiner's Answer fails to provide any evidence to support that Barnett discloses this claim feature. For at least this reason, the rejection of claim 13 is improper and should be reversed.

> ### B. The Examiner Incorrectly Applied the Alleged teachings of Lemon and Powell.
>
> 1. The 102(b) Rejection Based on Lemon and the 102(e) Rejection Based on Powell Fail to Anticipate Each and Every Feature of the Respectfully Rejected Independent Claims.

The Examiner's Answer takes the same exact argument made with respect to Barnett and applies it separately in support of the 102(b) rejection of claims 1, 4, 9, 10, 11-15, 16, and 24-27 based on Lemon, and to the 102(e) rejection of claims 16-26 based on Powell.

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The Examiner's Answer alleges that both Lemon and Powell respectively disclose actions taken by a clerk at a checkout station (e.g., determining the data printed on the coupon, following printed instructions on the coupon), and that these actions "constitute a form of validation." See Examiner's Answer at pg. 27, last paragraph and pg. 28, last paragraph. As stated above, determining whether a coupon is applicable (e.g., determining the data printed on the coupon, following printed instructions on the coupon) during checkout does not mean that the coupon itself is valid, for example the coupon may be a fraudulent photocopy.

The Examiner's Answer further states that Lemon discloses verifying that the corresponding product associated with the coupon is bought before redeeming the coupon. See Examiner's Answer at pg. 27-28. Appellant does not deny that Lemon discloses checking whether a corresponding product that relates to the coupon is being purchased and is eligible for a discount. However, determining product eligibility does not determine if a coupon itself is valid (e.g., fraudulent). For example, if the coupon is a photocopy of a previously redeemed coupon. Lemon does not disclose the Coupon Validation Limitation, as claimed.

Similarly, Powell discloses determining which discounts should be applied based simply on whether a scanned product matches a UPC on a discount list stored in a card. This does not determine whether the coupon itself is valid.

Based on the foregoing remarks, neither the Final rejection nor the Examiner's Answer demonstrate that Lemon anticipates at least the claim features of independent

claims 1, 11, and 16 nor do they demonstrate that Powell anticipates at least the claim features of independent claim 16. The rejections are therefore legally improper.

2. Dependent Claims

The dependent claims 4, 9, 10, 14, 15, and 17-27 are allowable for at least the reasons that they depend from at least one of the allowable independent claims 1, 11 and 16 (for the reasons set forth above), as well as for the further limitations they contain. The dependent claims have already been addressed in the Appellant's Appeal Brief on pages 14-16. Those arguments are relied upon here. Additionally, with respect to the dependent claim, the Examiner's Answer does not provide any substantial new arguments that have not already been address in the Appeal Brief.

With respect to claim 4, neither Lemon nor Powell, respectively anticipate the claim feature "wherein said redemption means comprises means for counting a number of times the consumer *redeemed* a particular coupon, and fraud indication means for indicating fraud if the number of times a coupon is *redeemed* by the consumer exceeds a predetermined amount." (*Emphasis added*). When read in conjunction with claim 1, the claim recites redemption means at the retail location for counting the number of times a particular coupon is redeemed by a consumer. Neither Lemon nor Powell show this occurring at a retail location.

With respect to claim 13, neither Lemon nor Powell, respectively anticipate the claim feature of "determining if a coupon presented by the consumer is valid comprises accessing the database in real-time." Neither Lemon nor Powell show *real-time* access from a retail location redemption means to a database for validating the coupon before it

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is redeemed by the consumer. For at least this reason, the rejections of claim 13 under

102(b) based on Lemon and 102(e) based on Powell are improper and should be reversed.
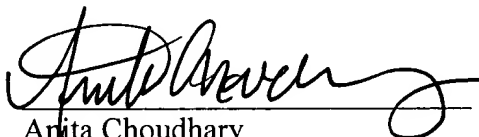
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Conclusion

Appellant now appeal to this Honorable Board to promptly reverse these rejection and issue a decision in favor of Appellants. All of the claims are in condition for allowance.

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Respectfully submitted,

PILLSBURY WINTHROP SHAW PITTMAN LLP

Anita Choudhary
Registration No. 56,520

Customer No. 00909

P.O. Box 10500
McLean, Virginia 22102
Main: 703-770-7900
Direct Dial: 703-770-7766
Fax: 703-905-2500

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